

Date of Hearing: August 6, 2013

ASSEMBLY COMMITTEE ON AGING AND LONG-TERM CARE
Mariko Yamada, Chair
SJR 11 (DeSaulnier) – As Amended: August 5, 2013

SENATE VOTE: 34-0

SUBJECT: Housing with services.

SUMMARY: Memorializes Congress and the President of the United States to support and encourage housing with services models which incorporate federally subsidized housing programs into a range of supportive services that enable residents to remain occupants even though their physical state has deteriorated, and they are no longer fully independent. Specifically, this resolution makes the following findings and declarations:

- 1) That "housing with services" as subsidized residential properties occupied by low-income seniors that provide access to a range of long-term supports and services offered by appropriately credentialed providers.
- 2) That the state's demographic shift indicates exponential growth of the 65+ population which is currently roughly one-in-ten, to roughly one-in-five by 2035.
- 3) That the incidence of poverty and near poverty amongst Californians over the age of 65 is significant, and how age and poverty are correlated.
- 4) That the United States Department of Housing and Urban Development's (HUD) Section 202 projects, and the projects managed through California-based hubs, are poised for housing with services models.
- 5) That there is cost benefits of extending supportive services to HUD 202 programs over the costs of placements in institutional settings.
- 6) That HUD is cultivating a growing commitment to develop housing with services in order to maximize individual residents' capacity to remain free of institutional settings.
- 7) That California has made a commitment to maximizing the least restrictive, most integrated housing settings as articulated through the State's Olmstead Plan and the Money Follows the Person Program.
- 8) Expresses praise for methods that promote greater collaboration between subsidized housing and home and community-based services.
- 9) Urges the President and Congress to support housing with services models, innovations, and funding.
- 10) Urges the President and Congress to direct the Centers of Medicare and Medicaid Services to expand Section 1115 and 1915(c) waivers to test and integrate supportive services into affordable housing settings.

EXISTING LAW:

- 1) The federal HUD Section 202 Supportive Housing for the Elderly Program provides direct loans or capital advances from the federal government to enable private, not-for-profit sponsors to produce secure, barrier-free, and supportive housing facilities for older persons.
- 2) The California Department of Housing and Community Development (HCD), within the Business, Transportation and Housing Agency, develops housing policy and building codes, regulates manufactured homes and mobile home parks, and administers housing finance, economic development and community development programs.
- 3) The California Housing Finance Agency (CalHFA), within HCD, makes low-rate loans through the sale of taxable and tax exempt bonds. CalHFA provides assistance in below-market interest rate mortgages and down payment assistance for first-time homebuyers, insurance for single-family home purchase mortgages, and loans for the development of multifamily rental housing.

Two principal policy statements on supporting the needs of aging people are the California Olmstead Plan, and the State Plan on Aging.

- 1) The California Olmstead Plan was issued in 2003. The plan articulates principles of an ongoing effort to promote opportunities for adults with disabilities to live independently. The plan promotes self-determination, choice, and community integration. The plan expresses a goal to expand the availability of housing options for persons with disabilities, and ensure the availability of housing options that are augmented by services and supports, and can facilitate the full inclusion of the resident into the community.
- 2) The State Plan on Aging is published every five years. Federal law requires state units on aging to submit a state plan. When approved, federal funds become available. The current state plan, "California State Plan on Aging, 2009-2013" addresses key socio-demographic factors that shape needs, priorities, and promising practices identified by the California Department of Aging (CDA) and the 33 area agencies on aging (AAAs). The plan describes the CDA's work with AAAs to provide cost-effective, quality services to adults with disabilities, and their caregivers.

FISCAL EFFECT: None

COMMENTS:

AUTHORS STATEMENT: "The number of persons at risk for institutionalization in nursing homes is expected to grow dramatically in the next two decades as our population ages. Facilitating aging-in-place keeps seniors in their home environment and is less costly to taxpayers. Housing with Services models connect long-term supports and services to affordable housing for seniors, offering an additional aging-in-place option. Housing with Services models can include service coordination, wellness and health education, health monitoring provided by a nurse educator, co-location of health services, or a community based adult service center. This resolution encourages the federal government to support Housing with Services generally and to

expand Medicare waivers to facilitate the integration of services into affordable housing for seniors and persons with disabilities."

SUPPORT: According to Leading Age, HUD rental subsidies have resulted in the development of over 6,000 Section 202 facilities housing approximately 263,000 households of older persons. Waiting lists for Section 202 facilities are long, applicants frequently must wait over 2 years. Persons are eligible to apply for assistance if their incomes are very low, (which is generally equal to 50 percent of the area median family income, adjusted for household size). Residents are predominantly elderly women, living alone, with incomes between \$5,000 and \$15,000.

According to Leading Age, HUD reports that housing made available under the Section 202 program is considered of good quality, and performs better during on-site inspections than other housing programs. Resident satisfaction surveys suggest that residents are more satisfied with their home than participants in other programs. In 2006, the median age of Section 202 residents was 74 years, and 31 percent were age 80 or older. Residents of Section 202 projects in 2006 had a median tenure of 4 years; 18 percent of all households had lived in the project for more than ten years.

According to information provided by Leading Age, A critical aspect of Section 202 housing is that it can accommodate residents with supportive services as their independence begins to deteriorate. Furthermore, a majority of Section 202 projects have the capacity to provide an array of communal services for their residents. Community space for social and/or recreational purposes is available in over 90 percent of the projects. Currently, space for congregate dining and supportive service providers is used in about half of projects. Examples of formal services are meals (funded through Administration on Aging, and other state and local funds), housekeeping (funded through Medicaid waivers, and other local funds), assistance with medications (funded through Medicaid waivers and other, local funds), and bathing (funded through Medicaid waivers, and other local funds). HUD administers programs through two hubs in California; San Francisco, and Los Angeles.

A service coordinator is a person trained to work with residents and their families when supportive services are needed. According to HUD, in 2006, 38 percent of all Section 202 properties reported having a service coordinator on staff, and that older facilities tend to be larger than newer projects, which permit greater economies of scale in staffing than in the newer, smaller facilities.

REGISTERED SUPPORT / OPPOSITION:

Support

Leading Age California

Opposition

None on file.

Analysis Prepared by: Robert MacLaughlin / AGING & L.T.C. / (916) 319-3990

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FISCAL EFFECT: None

COMMENTS:

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COMMENTS:

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A service coordinator is a person trained to work with residents and their families when supportive services are needed. According to HUD, in 2006, 38 percent of all Section 202 properties reported having a service coordinator on staff, and that older facilities tend to be larger than newer projects, which permit greater economies of scale in staffing than in the newer, smaller facilities.

REGISTERED SUPPORT / OPPOSITION:

Support

Leading Age California

Opposition

None on file.

Analysis Prepared by: Robert MacLaughlin / AGING & L.T.C. / (916) 319-3990

Date of Hearing: August 6, 2013

ASSEMBLY COMMITTEE ON AGING AND LONG-TERM CARE
Mariko Yamada, Chair
SJR 11 (DeSaulnier) – As Amended: August 5, 2013

SENATE VOTE: 34-0

SUBJECT: Housing with services.

SUMMARY: Memorializes Congress and the President of the United States to support and encourage housing with services models which incorporate federally subsidized housing programs into a range of supportive services that enable residents to remain occupants even though their physical state has deteriorated, and they are no longer fully independent. Specifically, this resolution makes the following findings and declarations:

- 1) That "housing with services" as subsidized residential properties occupied by low-income seniors that provide access to a range of long-term supports and services offered by appropriately credentialed providers.
- 2) That the state's demographic shift indicates exponential growth of the 65+ population which is currently roughly one-in-ten, to roughly one-in-five by 2035.
- 3) That the incidence of poverty and near poverty amongst Californians over the age of 65 is significant, and how age and poverty are correlated.
- 4) That the United States Department of Housing and Urban Development's (HUD) Section 202 projects, and the projects managed through California-based hubs, are poised for housing with services models.
- 5) That there is cost benefits of extending supportive services to HUD 202 programs over the costs of placements in institutional settings.
- 6) That HUD is cultivating a growing commitment to develop housing with services in order to maximize individual residents' capacity to remain free of institutional settings.
- 7) That California has made a commitment to maximizing the least restrictive, most integrated housing settings as articulated through the State's Olmstead Plan and the Money Follows the Person Program.
- 8) Expresses praise for methods that promote greater collaboration between subsidized housing and home and community-based services.
- 9) Urges the President and Congress to support housing with services models, innovations, and funding.
- 10) Urges the President and Congress to direct the Centers of Medicare and Medicaid Services to expand Section 1115 and 1915(c) waivers to test and integrate supportive services into affordable housing settings.

EXISTING LAW:

- 1) The federal HUD Section 202 Supportive Housing for the Elderly Program provides direct loans or capital advances from the federal government to enable private, not-for-profit sponsors to produce secure, barrier-free, and supportive housing facilities for older persons.
- 2) The California Department of Housing and Community Development (HCD), within the Business, Transportation and Housing Agency, develops housing policy and building codes, regulates manufactured homes and mobile home parks, and administers housing finance, economic development and community development programs.
- 3) The California Housing Finance Agency (CalHFA), within HCD, makes low-rate loans through the sale of taxable and tax exempt bonds. CalHFA provides assistance in below-market interest rate mortgages and down payment assistance for first-time homebuyers, insurance for single-family home purchase mortgages, and loans for the development of multifamily rental housing.

Two principal policy statements on supporting the needs of aging people are the California Olmstead Plan, and the State Plan on Aging.

- 1) The California Olmstead Plan was issued in 2003. The plan articulates principles of an ongoing effort to promote opportunities for adults with disabilities to live independently. The plan promotes self-determination, choice, and community integration. The plan expresses a goal to expand the availability of housing options for persons with disabilities, and ensure the availability of housing options that are augmented by services and supports, and can facilitate the full inclusion of the resident into the community.
- 2) The State Plan on Aging is published every five years. Federal law requires state units on aging to submit a state plan. When approved, federal funds become available. The current state plan, "California State Plan on Aging, 2009-2013" addresses key socio-demographic factors that shape needs, priorities, and promising practices identified by the California Department of Aging (CDA) and the 33 area agencies on aging (AAAs). The plan describes the CDA's work with AAAs to provide cost-effective, quality services to adults with disabilities, and their caregivers.

FISCAL EFFECT: None

COMMENTS:

AUTHORS STATEMENT: "The number of persons at risk for institutionalization in nursing homes is expected to grow dramatically in the next two decades as our population ages. Facilitating aging-in-place keeps seniors in their home environment and is less costly to taxpayers. Housing with Services models connect long-term supports and services to affordable housing for seniors, offering an additional aging-in-place option. Housing with Services models can include service coordination, wellness and health education, health monitoring provided by a nurse educator, co-location of health services, or a community based adult service center. This resolution encourages the federal government to support Housing with Services generally and to

expand Medicare waivers to facilitate the integration of services into affordable housing for seniors and persons with disabilities."

SUPPORT: According to Leading Age, HUD rental subsidies have resulted in the development of over 6,000 Section 202 facilities housing approximately 263,000 households of older persons. Waiting lists for Section 202 facilities are long, applicants frequently must wait over 2 years. Persons are eligible to apply for assistance if their incomes are very low, (which is generally equal to 50 percent of the area median family income, adjusted for household size). Residents are predominantly elderly women, living alone, with incomes between \$5,000 and \$15,000.

According to Leading Age, HUD reports that housing made available under the Section 202 program is considered of good quality, and performs better during on-site inspections than other housing programs. Resident satisfaction surveys suggest that residents are more satisfied with their home than participants in other programs. In 2006, the median age of Section 202 residents was 74 years, and 31 percent were age 80 or older. Residents of Section 202 projects in 2006 had a median tenure of 4 years; 18 percent of all households had lived in the project for more than ten years.

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